

Group Profit and Loss Account

for the year ended
31st March 1980

	Notes	1980 £m	1979 £m
Sales		1202.1	1053.0
Trading profit	2	116.0	109.8
Share of profit of associated companies		-9	—
		116.9	109.8
Investment income	3	9.1	9.1
Interest paid	4	(3.3)	(3.6)
Exchange loss on net current assets of overseas subsidiaries		(1.4)	(2.3)
Profit before taxation		121.3	113.0
Taxation	5	(39.9)	(35.6)
Profit after taxation		81.4	77.4
Attributable to minority interests		(4)	(5)
Profit attributable to shareholders before extraordinary items		81.0	76.9
Extraordinary items	6	2.6	(1.3)
Profit attributable to shareholders after extraordinary items		83.6	76.6
Dividends	7	(25.4)	(21.4)
Profit retained	8	58.2	55.2
Earnings per share	9	22.5p	21.6p

Sources and Applications of Funds

for the year ended
31st March 1980

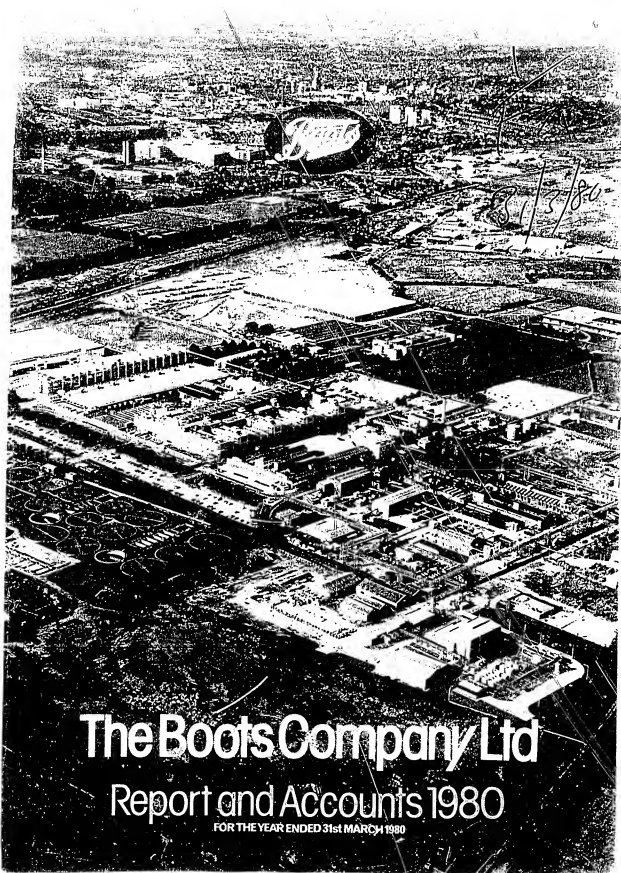
	1980		1979	
	£m	£m	£m	£m
Sources				
Group trading:				
Profit before taxation	121.3		113.0	
Share of prof.t. of associates/partnership	(1.8)		—	
	119.4		113.0	
Depreciation less surplus on disposal of fixed assets	12.3		10.2	
Disposal of fixed assets	8.6		7.5	
	140.3		130.7	
Disposal of subsidiaries	—		1.5	
Issue of ordinary shares	8.2		1.6	
Borrowed money	3.1		38.9	
	151.6		172.7	
Applications				
Capital expenditure	61.8		56.2	
Investments:				
Subsidiaries	—		7.0	
Associated companies	2		10.4	
Partnership	—		6.7	
	2		24.1	
Working capital:				
Increase in stocks	41.0		47.9	
Increase in debtors	12.0		7.7	
Increase in creditors	(8.4)		(26.1)	
	44.6		29.5	
Repayment of borrowed money	39.3		14.9	
Payment to Boots Pension Fund	3.4		1.7	
Dividends paid	23.0		15.8	
Taxation paid	29.3		34.0	
Other applications	1.0		1.2	
	201.6		177.4	
Decrease in net cash and short term investments	(50.0)		(4.7)	
	151.6		172.7	

Balance Sheets

31st March 1980

Notes	Gro.		Parent	
	1980 £m	1979 £m	1980 £m	1979 £m
Sources of capital				
Shareholders' interests				
Share capital	10	90.3	89.2	90.3
Reserves	11	384.0	320.8	244.4
		474.3	410.0	334.7
Borrowed money				
Minority interests	12	15.5	54.8	11.9
Provision for pensions	13	2.3	2.5	—
		3.8	6.0	3.1
		495.6	473.3	349.7
Employment of capital¹				
Fixed assets	14	306.3	266.2	82.7
Subsidiaries	15	—	—	209.6
Investments	16	18.1	17.8	9.1
Deferred taxation recoverable	17	2.6	4.5	2.8
Net current assets	18	166.6	184.8	45.5
		495.6	473.3	349.7

G. I. HOBDAV
D. E. M. APPLBY | Directors



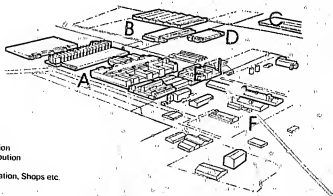
The Boots Company Ltd

Report and Accounts 1980

FOR THE YEAR ENDED 31st MARCH 1980

FRONT COVER

We use an aerial photograph to illustrate the Company activities on the 300 acre (120 hectare) site at Beeston, Nottingham. The main divisions of activity are indicated on the key drawing and are as follows:



- A — Pharmaceutical Production
- B — Warehousing and Distribution
- C — Administration
- D — Staff Restaurants, Recreation, Shops etc.
- E — Power Station
- F — Chemical Production

Annual Report

for the year ended
31st March 1980

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Annual General Meeting

Notice is hereby given that the annual general meeting of The Boots Company Ltd. will be held at The Chartered Insurance Institute, 20 Aldermanbury, London, EC2Y 7WY, on Thursday 17th July 1980 at 11.00 a.m.

(A location map is available from the Secretary on request.)

The business of the meeting will be:

- (a) To receive the directors' report and statement of accounts and the auditors' report thereon.
- (b) To declare a final dividend.
- (c) To re-elect directors.
- (d) To re-appoint auditors.
- (e) To fix the remuneration of auditors.
- (f) To consider and, if thought fit, pass the undementioned resolution to amend Article 88(A) of the Articles of Association of the Company, which will be proposed as a SPECIAL RESOLUTION:
- (g) To transact any other business which may be dealt with at the meeting.

The resolution referred to in paragraph (f) above is as follows:

SPECIAL RESOLUTION

THAT Article 88(A) of The Articles of Association of the Company be deleted and the following substituted therefor: "88(A) Unless and until otherwise determined by the Company in general meeting there shall be paid out of the

funds of the Company to the Directors as remuneration for their services as Directors such remuneration as the Directors shall from time to time determine (not exceeding in the aggregate an annual sum of £75,000 or such greater sum as the Company may in general meeting from time to time determine) and such remuneration shall be divided among such Directors in such proportions and manner as the Directors may from time to time determine. The Directors shall also be entitled to be paid their reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or general meetings or otherwise incurred while engaged on the business of the Company."

Article 88(A) reads at present as follows:

"88(A) Each of the Directors shall be entitled to remuneration for his services of such an amount not exceeding £5,000 per annum as the Directors shall from time to time determine or such other sum as the Company may in general meeting from time to time determine. The Directors shall also be entitled to be paid their reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or general committees of the Board or general meetings or otherwise incurred while engaged on the business of the Company."

An explanation appears on page 4.

Notes

1. A member entitled to attend and vote may appoint one or more proxies (who need not be members) to attend and vote instead of him.
2. A statement of transactions of directors (and of their family interests) in the shares of the company will be available for inspection at 1 Thane Road West,

- Nottingham, on any weekday (Saturdays excluded) from the 19th June to 16th July 1980, during usual business hours, and at the above address on 17th July 1980 from 10.30 a.m. until the conclusion of the meeting.
3. No director of the company has a written service agreement.

By order of the board, D. N. EDMUNDSON, Secretary,
Dated this 19th June 1980.

The directors would be glad to have an opportunity of meeting shareholders who will be attending.

Coffee will be served prior to the meeting from 10.30 a.m.

Board of Directors

Chairman	Sir Gordon Hobday
Vice chairmen	*M. J. Verey A. D. Spencer K. Ackroyd, M.P.S. D. E. M. Appleby E. E. Cliffe R. N. Gunn H. J. Hann P. T. Main, M.D. *Lord Redmayne, P.C., D.S.O. *D. A. G. Sarre *Sir Bernard Scott, C.B.E. G. R. Solway B. H. C. Theobald
	*Non-executive directors
Audit committee	M. J. Verey (Chairman) Lord Redmayne, P.C., D.S.O. D. A. G. Sarre Sir Bernard Scott, C.B.E.
Secretary	D. N. Edmundson
Registered office	Nottingham, NG2 3AA
Auditors	Peat, Marwick, Mitchell & Co.
Bankers	National Westminster Bank Ltd.

Statement by the Chairman

Sir Gordon Hobday

Last year we recorded that the Company's total annual sales exceeded £1,000m for the first time. This year the sales of Boots The Chemists, including the value of dispensing and VAT, exceeded £1,000m for the first time. Nevertheless the figures are more indicative of the effects of inflation and increased tax on our business than of real growth. Last year the percentage increases in overall sales and profit reported for the first half were reduced at the year end. This time our half-year results showed a 13.4% increase in sales but a 1.0% reduction in profit before taxation compared with the corresponding period in the previous year. So the final result of a 14.2% increase in sales and a 7.3% increase in profit is an improvement, as we had forecast, but it is not good enough. In a situation of depressed national economies at home and abroad we have, to put the matter simply, been unable to achieve sufficient added value in our operations to pay for the increase in the expense of running our business. A large proportion of this expense is the cost of wages and salaries and staff costs continue to take an increasing proportion of added value. This result is not peculiar to our Company, of course, and many other companies find themselves in the same position since this is the basic problem affecting the United Kingdom as a whole. Clearly the Company cannot continue in this direction indefinitely, just as the United Kingdom cannot go on indefinitely spending on itself more than it earns. We cannot solve the national problem by our Company's efforts alone but we must at least do all we can to contribute to the solution by striving to improve our own productivity and profitability. We have achieved some productivity improvements during the year but not enough to outweigh the inflationary increases in wages and salaries and so the downward trend of real profitability has not been reversed. Our retailing operations, dealt with in more detail later in this Report, continue to produce more than half the Company's profit. In the UK where the great volume of the business lies, and

also in the three other countries in which we operate, lack of growth in consumer spending has inhibited our progress and the fierce competition which it brings about has eroded our margins. However it is in these adverse circumstances that our retailing skills and resources are of the greatest value and we are fighting back vigorously to maintain our position and reputation. A good example of this is our recent introduction of the New N°7 cosmetic range referred to elsewhere. Dispensing of medicines is still a very important part of our Boots The Chemists operation and here the problem of the decline in profitability is not caused particularly by competition but much more directly is due to the Government's delay in providing an adequate remuneration for those, like ourselves, who provide the essential dispensing service without which the National Health Service as it exists today could not operate. It is hoped that negotiations between the Government and the Pharmaceutical Services J. Negotiating Committee, already very protracted, will soon lead to an equitable conclusion.

On the industrial side of our business we welcome a recent Government proposal to revise the procedure under the Medicines Act concurred with the approval of clinical trials of new medicines. As we have noted in previous Reports the trend all over the world in recent years has been towards tighter and tighter controls by regulatory authorities producing longer and longer bureaucratic delays and hindrances in the development of potentially valuable new medicines. It is good to see responsible moves in the other direction. Innovation is, of course, extremely important to the success of our industrial operations and new products are essential to the future of this side of our business. Between the identification of a possibly valuable new product and its sale there is a long interval of time during which the product has to be evaluated and approved by procedures subject to stringent regulations. A great deal of expense is involved in this and by the time a new product is available to be marketed a further substantial investment in new plant for its manufacture will also have been made. New products such as medicines, which come into use in this way, are almost entirely the products of companies in the private sector. In contrast, the customers are very frequently government agencies, responsible for national health services. It is absolutely essential, if this work is to continue and the enormous public benefits which ensue are to be maintained, that government agencies have a proper appreciation of the commercial factors and allow prices which enable the companies engaged in such work to make adequate returns on their investment.

In general the difficulties which confront us on both sides of our business at home and abroad seem

likely to continue for some time. The Government's strategy anticipates that industry and trade will respond to high exchange rates, high interest rates, high inflation and the inevitable profits squeeze by raising productivity. Whether this can be done sufficiently during a world recession remains to be seen. Certainly the next two years are going to be difficult and whether or not the picture thereafter is brighter will depend on the success of the Government's anti-inflationary policies. Raising productivity almost always involves investment and so companies with cash-flow problems face special difficulties which, fortunately, are not ours for the present. We shall continue with our investment policy but, of course, if the Government's measures do not have the desired effect we shall have to reconsider our policy in the light of the circumstances. We should obviously be reluctant to continue to invest if profitability continues to decline and the return on new investment falls below acceptable levels. For the present, however, our financial position is strong and we shall continue along the path we have been following.

Shareholders will see that we are proposing a change in Article 8B(1A) of the Articles of Association. This article relates to remuneration of directors and was last changed in 1975. Non-executive directors have always played an important role on the Board of our Company and we are well served by those at present in office. It is important that we are able to attract people with outstanding qualities to fill such positions and, in my view, we are likely in future to see a greater proportion of the directors in this category. Five years of high inflation have brought us up to the calling figure for the remuneration of non-executive directors in the present Article 8B(1A). We need more scope both to take heed of continuing inflation in the case of the present non-executive directors and to enable us to recruit for the future. We are following the practice common now to many companies of drawing up the Article in a different form so that the Board have discretion on the number and individual remunerations of non-executive directors within a global sum which we hope will last us for some time.

The Directors express their sincere thanks to all members of the staff at home and abroad for their continuing interest in the Company and their services during the year.

The retirement of Mr. J. H. Arkell from our Board in July 1979 was referred to in my statement last year. Mr. F. W. Wright retired in September 1979 and Mr. B. Jellies also retired in March 1980. We thank them for the devoted service they have given over many years. New appointments to the Board are referred to in the Directors' Report. Finally may I thank our shareholders for their interest and support and express the hope that we shall have the pleasure of meeting many of them again at our Annual General Meeting on July 17th next.



The above photograph shows a group of men in suits, likely at a formal event or press conference. The man in the center is being embraced or supported by others, suggesting a moment of triumph or relief. The high-contrast lighting emphasizes the textures of the suits and the intensity of the scene.



The below photograph shows three men in suits looking down at a document or object on a table. The high-contrast lighting highlights the focus and concentration of the individuals as they examine the item.

Group Highlights

for the year ended
31st March 1980

		% change over previous year
Sales (excluding VAT) Ventes	£1202.1m	+ 14.2%
of which: dont, davon		
Sales in the UK Ventes au Royaume Uni Umsatz innerhalb des Vereinigten Königreiches	£1038.8m	+ 13.8%
*Exports from the UK Ventes exportées du Royaume Uni Exporte aus dem Vereinigten Königreich	£ 50.9m	+ 6.0%
*Sales by overseas subsidiaries Ventes des filiales étrangères Umsatz der ausländischen Tochtergesellschaften	£ 128.7m	+ 18.4%
Profit before taxation Bénéfice avant impôt Gewinn vor Ertragsteuern	£ 121.3m	+ 7.3%
Profit after taxation attributable to shareholders Bénéfice après impôt revenant aux actionnaires Anteil des Gewinns nach Ertragsteuern, der auf die Aktionäre entfällt	£ 83.6m	
Earnings per share Bénéfice par action Gewinn pro Aktie	22.5p	
Dividends to shareholders Dividende proposée Dividendenvorschlag	£ 25.4m	
Retained in the business Report à nouveau Gewinnvortrag	£ 58.2m	
Capital expenditure during the year Investissements de l'année Investitionen während des Jahres	£ 61.8m	

*Includes sales within the group totalling £16.3m.

Value Added Statement

for the year ended
31st March 1980

	1980			1979		
	£m	£m	%	£m	£m	%
Sales	1202.1			1053.0		
Cost of materials and services purchased	(836.8)			(728.9)		
Share of profit of associated companies	.9			—		
Value added by trading	366.2			326.1		
Income from short term investments	9.1			9.1		
Exchange loss on net current assets of overseas subsidiaries	(1.4)			(2.3)		
Extraordinary items	2.6			(1.3)		
Total value added	376.6			332.6		
Shared as follows:						
Employees						
Wages, salaries, profit earning bonus and pension fund contributions	232.0	61.6		203.0	61.0	
Governments						
Taxation on profits	39.9	10.6		35.6	10.7	
Reinvested in the business						
Depreciation	17.3			13.3		
Profit retained	59.2			55.2		
	—	75.5	20.1	—	68.5	20.6
Providers of capital						
Interest paid	3.3			3.6		
Minorities share of profit	.4			.5		
Dividends to shareholders	25.4			21.4		
	—	29.1	7.7	—	25.5	7.7
	376.6	100.0		332.6	100.0	

Directors' Report

The directors of The Boots Company Limited present their ninety-second annual report to shareholders, together with the audited accounts for the year

ended 31st March 1980. The review of the year set out on pages 10 to 17 should be regarded as part of this report.

Group results

The company's consolidated profit and loss account for the year ended 31st March 1980 (with 1979 comparison) includes the following details:

	1980 £m	1979 £m
Trading profit	118.9	109.8
Profit before taxation	121.3	113.0
Profit after taxation	81.4	77.4

Further details are shown in the profit and loss account on page 18.

Deferred taxation

The directors are of the opinion that expenditure on fixed assets and stocks will be maintained at levels sufficient to

ensure that no deferred taxation liability other than that provided will become payable for a considerable period.

Appropriations

The directors recommend the payment of a final dividend of 4.125p per share which, when added to the interim dividend of 2.875p already paid, makes a total dividend for the year of 7.0p per

share. The payment of these dividends requires £25.3m (1979 £21.4m), leaving £58.2m (1979 £55.2m) retained in the business.

Principal activities

The principal activities of the group are retailing of chemist and other merchandise and the research, manufacturing and marketing of

pharmaceuticals, toiletries, and agricultural chemicals throughout the world.

Sales and trading profits are shown below:

	1980		1979	
	Sales £m	Trading profits £m	Sales £m	Trading profits £m
Retail Division	1043.5	70.2	907.0	67.3
Industrial Division	284.3	42.9	239.2	41.2
Sales within the group	(106.7)	—	(52.2)	—
Other gains/losses	1202.1	113.1	1053.0	108.5
	—	3.8	—	1.3
	1202.1	116.9	1053.0	109.8
Sales and related trading profits by geographical area are:				
Africa and Near East	13.7	1.7	17.8	3.1
Australasia	12.6	1.9	11.8	2.2
Asia	18.8	3.3	15.6	3.5
Americas	80.3	2.9	60.5	5.7
Europe	40.1	10.6	34.9	10.6
UK	1038.8	92.7	912.5	83.4
	1202.1	113.1	1053.0	108.5

Finance

During the year new borrowings amounted to £3.1m and borrowings of £39.3m were repaid, of which £31.0m arose from the directors' decision to repay foreign currency loans following

the relaxation of UK exchange controls in July 1979. Repayments also included \$17.8m of 6½% convertible bonds 1993 exchanged for ordinary shares.

Fixed assets

The directors are of the opinion that the market values of the properties of the group are substantially in excess of the net book value of £168.6m

which together with movements of fixed assets, is shown in note 14 on page 24.

Accounting for Inflation

A statement of gross profits prepared under the current cost accounting convention, based on SSAP16, is shown on page 28. On this basis group profit before taxation is

£88.9m (1979 £96.8m), and profit after taxation is £49.0m (1979 £61.2m). The profit after taxation attributable to the shareholders is £51.4m (1979 £60.5m).

Employees

The average weekly number of employees in the UK during the year was 68,443 (1979 68,750) which included 30,266 part-time staff (1979 30,654). The aggregate remuneration paid to these employees was £180.1m (1979 £158.5m).

The number of overseas employees was 5,327 (1979 5,123). The 29 African employees of our South African company, am paid above the SLL. Further information is available on request to the Secretary.

Charitable donations

Donations for charitable and educational purposes in the UK during the year totalled £213,000.

(1979 £205,000). There were no political payments.

Directors

It is with great pleasure that the directors acknowledge the Knighthood conferred on Sir Gordon Hobby in the Queen's Birthday Honours for 1979.

The names of the directors and their interests in the share and loan capital of the company are shown on page 32.

Mr. F. W. Wright resigned from the board on 30th September 1979 and Mr. B. Jefferies on 31st March 1980 on their retirement from the company. Sir Bernard Scott, having attained the age of 65, has been requested by the board to continue in office pursuant to article 105(G) but now retires by rotation in accordance with article 100 and offers himself for re-election.

Sir Bernard has been a non-executive director of our company since 1976.

Until March of this year he was chairman of Lucas Industries Ltd. and he is also a director of Lloyds Bank Ltd. and Thomas Tilling Ltd.

Mr. K. Ackroyd, Dr. E. E. Cliffe,

Mr. G. R. Solway and

Mr. B. H. C. Theobald were appointed to the board on 18th October 1979 and in accordance with article 107 retire and offer themselves for re-election.

Mr. K. Ackroyd joined the company in 1952. He is a pharmacist and has had wide experience in management of our retail stores. In 1975 he was appointed a director of Boots The Chemists Ltd. and subsequently became the first President of the Canadian operation after its acquisition.

Auditors

It is proposed to re-appoint Messrs. Peat, Marwick, Main & Co., as auditors and resolutions concerning

by the group. Currently he is the director responsible for Branch Operations within the Retail Division.

Dr. E. E. Cliffe joined the company in 1959 in the Research Department. Since 1976 he has been Director of Research responsible for discovery and development of pharmaceuticals, agrochemicals and consumer products.

Mr. G. R. Solway who joined the company in 1961 is an economist who has held a number of positions chiefly within finance departments. In 1977 he was appointed Director of Finance to the Retail Division. His position on the board is that of Director of Administration.

Mr. B. H. C. Theobald joined the company in 1958 and has had wide experience in merchandise buying and retail marketing. In 1977 he was appointed Director of Merchandise and Sales to the Retail Division, which position he still holds.

Mr. D. A. G. Sarra joined the board on 22nd February this year as a non-executive director. In accordance with article 107 he retires and offers himself for re-election. He is a director of BP Trading Ltd. with particular responsibilities for personnel, health, safety and the environment.

No director had any interest, either during or at the end of the financial year, in any contract which was significant in relation to the group business.

their re-appointment and remuneration will be proposed at the annual general meeting.

By order of the board

D. N. Edmundson, Secretary, 19th May 1980

Review of the Year Retail Division

Divisional Board

H. J. Hann, *Managing Director (Chairman)*
K. Ackroyd, M.P.S.
D. Cargill
L. W. Day, M.P.S.
G. M. Houston, M.P.S.

A. R. Ripley
B. H. C. Theobald
D. A. R. Thompson
K. R. Whitesides, *Secretary*

Divisional Results

	1980		1979	
	Sales (incl. VAT) £m	Trading profits £m	Sales (incl. VAT) £m	Trading profits £m
U.K.	980.5	73.4	856.5	69.1
Overseas subsidiaries	63.0	(3.2)	46.5	(1.8)
	1043.5	70.2	907.0	67.3

UNITED KINGDOM

Boots The Chemists

During the year the chain passed an important landmark in that the combined value of tax inclusive counter sales and dispensing business exceeded £1,000 million. However it was a difficult year for retailing and this is reflected in our own performance; despite a sales increase of 18.8% we achieved only a modest improvement in profit.

Higher VAT rates from mid-June 1979 reduced by almost 5% the amount of money in each £1 of sales which was available for running the business. This, together with the need to meet increasingly fierce price competition in the High Street and the rising costs of retailing, account for the less than satisfactory profit increase. We shared in the sales upsurge before the increase in VAT rates and particularly in the last fortnight of June during which we delayed implementing the VAT increase. However, we suffered both in the immediate fallback in sales thereafter and also the ongoing cutback in customers' spending, resulting from significantly higher price levels. The Christmas peak started later than ever but we finished strongly and better than many. In the final quarter of the year, sales were significantly ahead of the previous year when our business was seriously affected by the severe winter and by supply problems caused through the rail-truck hauliers' dispute. Certain of the merchandise ranges in which we have significant market shares had a lean time nationally, for instance the record, toiletry and

cosmetic markets. In the latter case we hope that our New N7 will help to inject fresh interest into the market as a whole and our share of it in particular.

We continue to develop our Boots Brand ranges in many different areas of bought-in merchandise, with increasing assistance from our new Quality Assurance laboratories. They also check deliveries of these and proprietary products to ensure they conform to specification and thereby enable us to supply customers with reliable high quality goods in technological fields where faulty merchandise is regrettably all too common.

Our move into more expensive merchandise such as audio equipment, 35 mm cameras and jewellery encouraged us to introduce our own credit schemes during the course of the year. A Boots Credit Card is now available through all branches, spreading the cost of high priced items across a number of regular monthly payments. Additionally a personal loan scheme is available in larger branches. There has been an encouraging customer interest in these schemes. Our contribution to the nation's pharmaceutical service remains substantial. However, Health Service prescriptions dispensed by us decreased by 2.5% and the increase in the average value of each prescription was less than price inflation generally. The cost of providing the service, however, has continued to increase rapidly and in consequence the profitability of dispensing has progressively declined. The higher professional fee received during the

The New Face of N°7

At Paris for Les Muses, April 21st, the New N°7 was launched in every market of Europe. The Cosmetic throughout the country.

The launch of New N°7 was a major event in the Cosmetics World and its appearance is a commitment to our products, produced in an other factory, Beauty could achieve.

The development of the New N°7 range represents 7 years' work of intensive research and development, continuing the industrial Division. Our history of strength in the development of Skin Care, Cosmetics, Toiletry and Body Products is proved in every the expertise which has been used to the full in developing new effective Skin Care and increasingly Colour Cosmetics products.

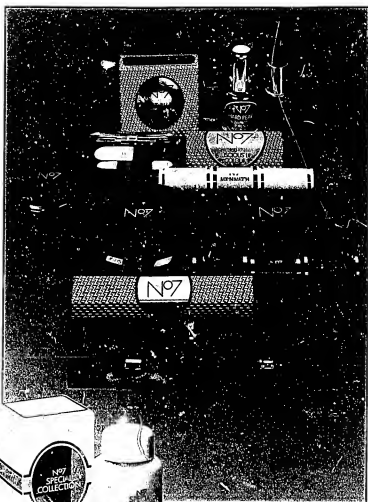
All were subjected to stringent testing including the highest and to biological and dermatological standards. The marketing development department worked to achieve totally new and unusual packaging and containers. My N°7 Multi-Double-ended sticks and Moisturisers, a comb, anti spots and nail polish containers, provide examples of these exciting new products.

Also new was the N°7 Enhancement campaign which has been created to appeal to those who are susceptible to skin irritation caused by the main cosmetics, contain ingredients the perfume.

Simultaneously a totally new hair product was developed which is called N°7 Special Collection. It consists of the most superior and technologically advanced skin care products. Biotin laboratories have been produced.

Since 1953 when N°7 was first introduced, sales have steadily increased and it is now one of the leading Cosmetics Brands in Great Britain, indeed it is the only One Brand in the world which is a member of the "L'Oréal" Group. However, it is always the company to revolutionise the industry and with New N°7 continue an innovative range designed for the 80's.

New product development of your commitment to our laboratories at 11 rue de Valenciennes, Paris in the capital of innovation in the Cosmetics industry and will into 1981 and 1982.



final quarter is insufficient to cover the increased staff and overhead costs. The Company is concerned that the negotiations between the Pharmaceutical Services Negotiating Committee and Government have still not been completed satisfactorily. The increase in profit recommended by the Franks Panel last November has not been applied either retrospectively or so far during 1980. The Government proposes to recover discounts which chemists generally are alleged to receive from their wholesalers to offset the extra profit recommended in the Report. But in discussions has indicated concern about a deterioration in the pharmaceutical wholesale service to the nation's pharmacies. We are concerned that the pharmaceutical distribution service which we provide to branches may have to be reduced.

The Warehousing and Distribution Group continued to maintain a first class service to the shops. However, escalating costs beyond our control such as rent, fuel and transport charges have all added significantly to the expense of maintaining the operation. Capital investment in new and modernised shops amounted to about £32 million, selling space increased by 22,000 square metres and at the year end we had a chain of 1,118 branches with a sales area of over 420,000 square metres. In addition to opening major new shops in Swansea, Brighton, Maidenhead, Ashford, Heath, Milton Keynes, Yeovil and Worthing, our plans to improve our standard chemist shops also progressed—37 of them were either modernised or raised in new premises and a further 8 were opened in new areas. During the current financial year we are undertaking another demanding programme which involves more than 60 shops and includes new large stores in Warrington, Bromley, Chester, Gloucester, Basingstoke, Poole, Kensington and Newbury. However the slower than anticipated profit growth in new shops is causing us to review the rate at which we expand in future years.

Timothy Whites

After several years of experimentation, Timothy Whites traded with a clearly defined range of merchandise, mainly concentrating on Kitchenware, Tableware and Household Electrical products. This concentration on a specialist range produced a healthy increase in sales but profits, although higher than last year, did not increase in line with sales.

The new in-store decor, referred to in last year's report, was extended to a total of 101 branches and by the end of June 1980 a new shop fascia, in keeping with the new shop image, will have been provided to a similar number of branches.

However, for all that has been done to Timothy Whites shops in terms of decor, layout and merchandise range, the chain still suffers from the problems of poor location and inappropriately sized shops. We are therefore embarking on a modest development programme in city and town centre locations and hope to open new shops in Ashford, Maidenhead, Oldham and Poole this year.

OVERSEAS SUBSIDIARIES

Canada

Trading results in 1979, which included the losses of the Western company for a full year, were disappointing. Against the background of a sluggish Canadian economy, we were unable to expand the chain as quickly as planned either by development or by acquisition. The rate of sales growth in existing shops was a little slower than anticipated and the inevitable first year losses of new shops were high.

A new company, Boots Drug Stores (Holdings) Ltd., has been formed to hold and manage our investments in Canada. Steps are being taken to centralise the merchandising, marketing, finance and personnel functions in order to harmonize the services provided to the two operating companies. It is expected that this will yield progressively greater cost savings and other benefits.

All shops now trade as Boots Drug Stores, using the familiar Boots logo and major improvements have been made to their overall appearance. We have recently acquired 5 shops in British Columbia, bringing the total number to 164, and plans exist to open a further 4 in Ontario and 4 in the Western Provinces. Our merchandising ranges remain very competitively priced, we are gaining market share, and we expect this to continue. Boots Brands, largely made for us in Canada under strict quality control, have increased in both sales and range and there is growing customer awareness of their quality and value. We plan to extend the range, particularly in the cosmetics, toiletries and medicinal areas, and this together with further merchandising development will help to improve margins. We are expecting that

trading losses will be significantly reduced this year, particularly in the Eastern company.

New Zealand

We enjoyed a satisfactory year's trading despite economic uncertainties caused through rising inflation, increasing unemployment and continuing population decline. Our branches in Auckland, Lower Hutt and Porirua were improved and in July 1979 we opened a BeautyBoots concession in a leading Auckland Department Store.

France

Sales in our original store in rue de Passy again increased substantially and it is now making an encouraging profit contribution to this small company.

Towards the end of 1979 we opened two additional shops both in the Paris region as part of a balanced programme of experimentation. One is in the out of town development at Creteil and the other at Forum des Halles in the very heart of the City. We have created an impressive new shop design which will also be suitable for other developments under consideration. Sales in these shops are improving but we do not anticipate they will contribute to profits in their first year of trading.

We have recently agreed to purchase the minority interests of our partners and henceforth we shall be solely responsible for financing the development of what will become a wholly owned subsidiary.

STAFF

The number of staff employed in our branches of Boots The Chemists and Timothy Whites is approximately 2% less than a year ago, as a consequence of improved methods and systems. The proportion of part-time staff remains constant at 54%. All these branches are now included in the Staff Council structure through which formal consultation with staff takes place. On a more personal level, performance appraisal for all staff is being introduced. Supporting this positive approach, our training policy placed particular emphasis on achieving a high calibre of supervisory staff. The Retail Division of the Company, due to its success on the enthusiasm and dedication of the staff, both full time and part-time, employed in many functions at home and overseas, and we gratefully acknowledge their contribution towards both influencing and implementing policy.

New headquarters for Merchandise Quality

The development of our Quality Assurance facilities took a major step forward in the Spring of 1979 when our Merchandise Technical Services laboratories moved to a new purpose-designed headquarters in Nottingham. The building and equipment cost £13 million and provides 3,000 sq m of floor area to house laboratories, offices and a repair workshop.

Merchandise Technical Services has a staff of 140 including 36 laboratory personnel and 45 inspectors, the latter operating from four warehouse sites throughout the Company. The department has five laboratories—Electronics, Electrical/Mechanical, Materials Sciences, Paper and Packaging and Textiles. In addition, there is a Product Specification Unit and a Data Centre which monitors merchandise quality performance.

Finally, an After-Sales service unit is responsible for all repair operations throughout the Company.

We spend approaching £1 million each year on quality assurance of merchandise bought in by The Boots Company for sale in branches of Boots The Chemists and Timothy Whites.

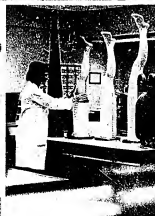
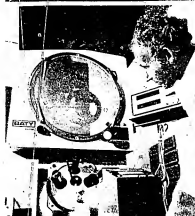
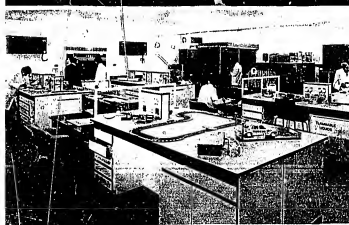
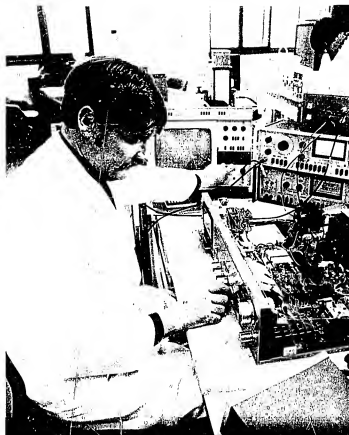
These new facilities, some of which are illustrated on this page, will ensure the maintenance and improvement of quality standards in the merchandise which we offer and will be of considerable help to our suppliers in meeting our demands.

Top: David Partridge is shown checking the performance and safety characteristics of a high fidelity module in the Electronics Laboratory, where assessment work is carried out on Audio and Video equipment, electronic watches and calculators, toys, games and other products.

Centre: Toys are assessed for compliance with safety regulations, British Standards and Boots Standards. This general view of the Electrical/Mechanical Laboratory shows toys being checked for electrical safety and reliability. The Laboratory also evaluates all electrical appliances sold by the Company, some of these can be seen in the background.

Lower left: The Materials Sciences Laboratory evaluates stores from most merchandise areas using chemical and physical techniques. In the Office room of the Laboratory Dr. Robin Sheppard is shown checking a clockwork unit before measuring the energy content of the spring.

Lower right: The Textile Laboratory assesses a wide range of products ranging from babywear to fashion products. Hilary Berridge is shown checking the strength of Boots Brand tights.



Review of the Year Industrial Division

Divisional Board

P. T. Main, *Managing Director (Chairman)*
E. E. Ciffe
R. N. Gunn
A. H. Hawksworth
R. A. Johnson
I. F. Kent

S. A. B. Kipping
J. W. Leavin
T. G. Richardson
K. T. Robinson
J. H. Wilson
I. A. Hawtin, *Secretary*

Divisional Results

	1980		1979	
	Sales £m	Trading profits £m	Sales £m	Trading profits £m
UK	147.7	19.2	130.0	14.4
Exports	60.9	14.8	48.0	15.8
Overseas subsidiaries	65.7	8.9	60.2	11.0
	264.3	42.9	238.2	41.2

Introduction

In spite of a difficult year beset by depressed trading conditions in the domestic market as well as overseas the Industrial Division has not been without its successes. Like many British companies, we have the problem of maintaining our competitive position in the market-place during a period of increasing inflation. Rising fuel and raw material costs, combined with continuing pressure for wage increases, adversely affected our profitability in the UK. During the year, the strengthening of sterling also impaired the Division's profits from its exporting and overseas companies' operations. The adverse effect deriving from trading operations conducted in foreign currency is estimated at some £2.5 million.

The Industrial Division has two growth problems. The first is of profit growth in the short term, and as a result there has been rigid control of expenses and a revision of our capital expenditure programme. We have continued our efforts to contain our costs in terms of raw materials, fuel and the pay bill.

The second problem is one of longer term growth. We must develop to the full our international potential for pharmaceuticals and agrochemicals by maximizing the returns which we make from our own research products such as Froben, Brufen, Taktic and Miscac. In addition, however, we have unrealized potential internationally in terms of our ability to develop consumer products. Within the last few months we have therefore engaged in a reorganization within the Division to give greater

prominence to our consumer products business.

Research and Development
Froben, our latest anti-rheumatic product, has been well accepted by the medical profession. Last year we referred to the process of product registration becoming more prolonged in many parts of the world. Nevertheless, in the year under review we have obtained registration for Froben in several important markets including Yugoslavia, West Germany and India.

We welcome the declared intention of HM Government to revise the arrangements for approval of clinical trials under the Medicines Act. We believe the proposed changes will assist the early investigation of new, potentially important medicines for UK based companies.

During the year we launched Entamizole for the treatment of amoebic dysentery which is still a major problem in many developing parts of the world. Entamizole has been introduced in India and Kenya, and applications to market in other countries in Asia and Africa are in progress.

We have continued to develop the new broad-spectrum fungicide referred to in this report last year. This fungicide, which has the trade mark Sportak, will have its first commercial introduction for the control of cereal foliar diseases during the coming year.

In order to enlarge the scope of our consumer products business, to which we have already referred, we have



The new plant, valued at \$10 million, is being built by the company's subsidiary, the newly formed Department of New Jersey, during the summer of 1981. It provides facilities for the development of an entire range of medical and pharmaceutical products, including research, development, production and distribution. The building will provide 100,000 sq. ft. of space for processing hospital use.

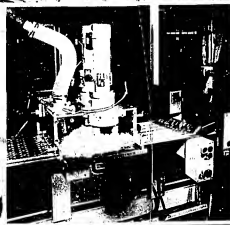
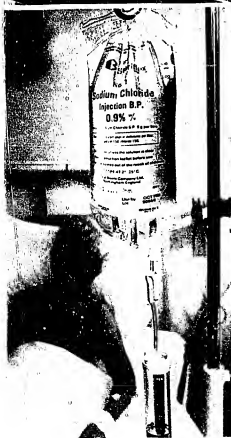


protecting laboratories from which parts of the flow can be. The final product will be prepared on the site this spring.

Far left: The Steriflow range of endotoxin solutions, now being produced by the Company, incorporates the latest developments in life-saving technology.

Left: Part of a sophisticated machine engaged in "blister" packing of the microscopically important endotoxin-free tubes. Machines installed during the year the machine is capable of processing some 240,000 tablets an hour.

Below: Virtually the entire manual handling and packing operation for the new N7 range is carried out at our Andover factory near Glasgow. Seen here is the filling operation for N7 Adjuvant Cream.



commenced the building of a new laboratory block on the Beeston site at a cost of £5.8 million

Manufacturing

The economic climate has resulted in many facilities being under-utilized during the year, and staff levels have been allowed to fall by natural wastage.²⁰ The build-up of stock for the launch of the New N77 range has however provided useful additional demand for our Cosmetics and Toiletries factory at Andrie. We have continued to produce plant improvements on the Beeston site, and in the case of our older units the premises have been brought up to the high standards required for efficiency, health and safety. Equipment has been modernized and significant improvements have been made to many chemical processes. At Basingstoke we have extended our manufacturing facilities to support our new products for the infusion solution market.

We are planning the development of a new site for chemical manufacture at Crumlington in Northumberland. The first major new plant on this site will be for the manufacture of flurbiprofen, the raw material used in Froben. The total cost of this first phase of development will be £23 million. This new site will enable us to expand our specialty chemical business during the next decade.

The Company's Engineers have recently been rehoused in a new and modern building on the Beeston site. They play an essential role in keeping our factories and other operations running efficiently. They are also involved in the design of new plant and in the mechanical and electrical engineering aspects of new projects.

Pharmaceutical Marketing

Pharmaceutical Marketing faced a difficult year during which sales increased by only 3% compared with last year, mainly due to reduced sales of ibuprofen to the USA at the termination of part of a long term contract with our licensee. This resultant sales decrease to the USA was 28%. Cost increases to which we have already referred and tight price controls, which affect the pharmaceutical sector in part, have given rise to erosion of profit margins. The introduction of Froben has continued and, in addition to the United Kingdom, Eire, Switzerland, Portugal and Japan, we have successfully launched Froben during the year into other important markets such as France, Holland, West Germany and Greece.

In the United Kingdom, in spite of increasing competition, our Pharmaceutical sales were 7% up on the previous year. Brulen and Froben have maintained their market shares, and our antidepressant, Prothidien, has continued to make progress. The range of products marketed to hospitals by Boots Hospital Products, our own

specialized sales force, has been extended to include new and improved sterile fluids sold under the brand names, Steriflox and Flowfusor.

Crookes Anestax, our consumer products marketing company, had a successful year in terms of sales and profits with both its major brands, Sweetax and Hermesitas, performing well.

Pharmaceutical exports to Europe increased by 18% and we had a particularly good performance in Eastern Europe where we launched Brulen 400 mg in Yugoslavia and doubled our sales of Brulen to the USSR.

Our company in Eire more than doubled its sales and profits. In France, Laboratoires Bouis-Dacour produced good growth largely as a result of the successful launch of Froben (which is known as Cebutin in France) in September 1979.

Our American pharmaceutical company, Boots Pharmaceuticals Inc., showed little growth during the year under review, but we are optimistic for the future development of this company which still awaits regulatory approval for Brulen (to be known as Brulen in the USA) and other important products.

In the African continent it was a difficult year with exports to agency territories down by 40% although sales through subsidiary companies showed an increase of 5%. In the Middle East we made good progress with export sales increasing by 19%. Our company in Pakistan had another excellent year, increasing sales and profits by over 30%.

Our Indian company had another good year, and despite the problems in Iran we recorded excellent growth compared with last year but our future prospects there must be uncertain. Acute shortage of foreign exchange in Turkey affected our exports to that country, which were down by 60%.

In Japan Brulen is still facing fierce competition from low priced copies of our drug. Froben sales in Japan increased our exports by 23% over last year's results. In Australia, new anti-rheumatic products combined with tight control on prices within the Australian Health Service have greatly affected our business, but even so our subsidiary company increased its sales by 15%, and in New Zealand our company increased its sales by 36% mainly from the introduction of new consumer products. During the year we upgraded our Philippines branch office to the status of a subsidiary company. We also completed during the year the building of a new factory in Thailand, which was opened by Dr. Boonsom Martin, the Thai Minister of Health.

Agrochemical Marketing
Agrochemical business (UK and exports) produced a good performance for the year with a sales increase of 19%.

In the United Kingdom, Boots Farm Sales had a satisfactory year with a sales increase of 15% despite the continuation of fierce competition. Increased market penetration of both the crop protection and animal health markets was achieved and a number of new branded products were introduced. A reorganization of our sales force was carried out early in the year and we are now able to service the needs of our customers more effectively. We are confident that Boots Farm Sales can increase still further the high market share which it already holds.

Although still a relatively small part of our business, sales of commodity agrochemicals to other companies in the industry increased substantially during the year and we are hopeful that this progress can be maintained.

Overseas, Boots Hercules

Agrochemicals Co. (B.H.A.), our USA affiliate, had a very successful first year with profits in excess of budget. B.H.A. moved into new headquarters in Wilmington, Delaware, and has branch offices in Atlanta, Greenville, Kansas City, Fresno and Washington, D.C., and a research farm outside Greenville, Mississippi.

Agrochemical exports had a good year despite the strength of sterling forcing us to take reduced margins in some markets. Mitac continued to gain ground in Europe and Japan and registration for use on pears was granted in the USA. Continuing delays in registration for use on other crops is still a problem and prevents further penetration of the very important North American market.

Takid continues to dominate the cattle tick market in Australia, South Africa, Brazil and Argentina.

The new amiraz plant (which provides the active ingredient for both Mitac and Takid) is working well and producing high quality material at good costs.

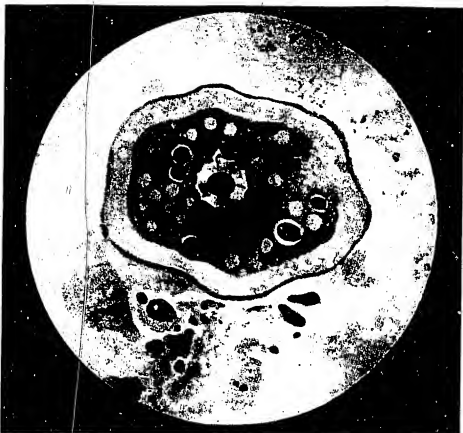
Staff

Staff numbers within the Division show a reduction of about 1% if the effect of two overseas acquisitions during the period is excluded (Boots Hercules Agrochemicals Co. and Lacle S.A.). This reduction includes a decrease of more than 5% in the UK based workforce.

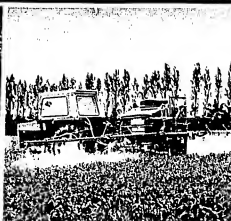
The year has been marked by a return to free collective bargaining. In the light of the Company's trading position pay increases have had to be restrained and the vast majority of staff have accepted the reasons for this.

We remain committed to the involvement of staff in the affairs of the business. This includes communication and consultation through line management, our staff councils and recognized trade unions.

The Industrial Divisional Board wishes to thank all of the Company's staff, including those in Central Functions for their hard work and dedication during a difficult year.



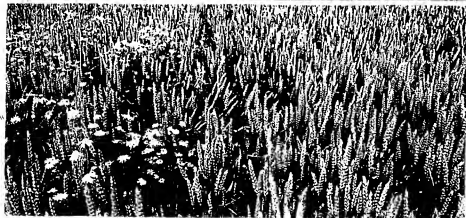
Micrograph of a cross-section of a plant stem showing internal cellular structures, including vascular bundles and a central pith.



Far left: Cow in a field near a fence. Left: The combine harvester.

The combine harvester is a large machine used for harvesting crops. It is shown in a field near a fence.

Below: Impressive quantities of wheat are shown in a field. The wheat is shown in a field near a fence. The wheat is shown in a field near a fence.



Group Profit and Loss Account

for the year ended
31st March 1980

	Notes	1980 £m	1979 £m
Sales		1202.1	1053.0
Trading profit	2	116.0	109.8
Share of profit of associated companies		.9	—
		116.9	109.8
Investment income	3	9.1	9.1
Interest paid	4	(3.3)	(3.6)
Exchange loss on net current assets of overseas subsidiaries		(1.4)	(2.3)
Profit before taxation		121.3	113.0
Taxation	5	(39.9)	(35.6)
Profit after taxation		81.4	77.4
Attributable to minority interests		(.4)	(.5)
Profit attributable to shareholders before extraordinary items		81.0	76.9
Extraordinary items	6	2.6	(.3)
Profit attributable to shareholders after extraordinary items		83.6	76.6
Dividends	7	(25.4)	(21.4)
Profit retained	8	58.2	55.2
Earnings per share	9	22.5p	21.6p

Sources and Applications of Funds

for the year ended
31st March 1980

	1980		1979	
	£m	£m	£m	£m
Sources				
Group trading:				
Profit before taxation		121.3		113.0
Share of profit of associates/partnership		(1.9)		—
		<u>119.4</u>		<u>113.0</u>
Depreciation less surplus on disposal of fixed assets		12.3		10.2
Disposal of fixed assets		8.6		7.5
		<u>140.3</u>		<u>130.7</u>
Disposal of subsidiaries		—		1.5
Issue of ordinary shares		6.2		1.6
Borrowed money		3.1		38.9
		<u>151.6</u>		<u>172.7</u>
Applications				
Capital expenditure		61.8		56.2
Investments:				
Subsidiaries		—		7.0
Associated companies		-2		10.4
Partnership		—		6.7
		<u>-2</u>		<u>24.1</u>
Working capital:				
Increase in stocks		41.0		47.9
Increase in debtors		12.0		7.7
Increase in creditors		(8.4)		(26.1)
		<u>44.6</u>		<u>29.5</u>
Repayment of borrowed money		39.3		14.9
Payment to Boots Pension Fund		2.4		1.7
Dividends paid		23.0		15.8
Taxation paid		29.3		34.0
Other applications		1.0		1.2
		<u>201.6</u>		<u>177.4</u>
Decrease in net cash and short term investments		(50.0)		(4.7)
		<u>151.6</u>		<u>172.7</u>

Balance Sheets

31st March 1980

	Notes	Group		Parent	
		1980 £m	1979 £m	1980 £m	1979 £m
Sources of capital					
Shareholders' interests					
Share capital	10	90.3	89.2	90.3	89.2
Reserves	11	384.0	320.8	244.4	199.4
		474.3	410.0	334.7	288.6
Borrowed money	12	15.5	54.8	11.9	38.6
Minority interests		2.3	2.5	—	—
Provision for pensions	13	3.5	6.0	3.1	5.5
		495.6	473.3	349.7	332.7
Employment of capital					
Fixed assets	14	306.3	266.2	82.7	73.7
Subsidiaries	15	—	—	209.6	148.6
Investments	16	18.1	17.8	9.1	10.0
Deferred taxation recoverable	17	2.6	4.5	2.8	4.4
Net current assets	18	166.6	184.8	45.5	96.1
		495.6	473.3	349.7	332.7

G. I. HOBDAV
D. E. M. APPLBY | Directors

Notes relating to the Accounts

1. Accounting policies

Basis of accounting

The group accounts are prepared under the historical cost convention adjusted

by the revaluations of certain properties.

Consolidation

The accounts combine the results of the company and its subsidiary and associated companies and partnership for the period of, and to the extent of, group ownership, after eliminating inter-group transactions. The excess of cost of investments in subsidiaries over the book value of net assets acquired has been written off to reserves.

Associated companies are those companies in which the group has an equity interest of between twenty percent and fifty percent and over whose policies the group is able to exercise a significant degree of influence. The proportion of profits attributable to the group of those companies for the relevant accounting periods is included in the group profit and loss account and dividends received from them are, therefore, excluded from investment income.

In the group balance sheet associated companies and the partnership are shown at cost, together with the group's share of reserves.

The accounts of all UK companies are made up to 31st March 1980, whereas the accounts of overseas companies and associates are made up to 31st December 1979 as adjusted for any abnormal transactions in the intervening period, in order to facilitate early presentation of group accounts.

The accounts of overseas companies are translated into sterling at rates of exchange approximating to those ruling at 31st March 1980. Profits and losses resulting from translation of net current assets of overseas subsidiaries are included in profit before taxation and those relating to fixed assets less long term liabilities are dealt with through reserves.

Sales

These comprise sales to external customers and exclude value added tax.

Depreciation

Depreciation is calculated to write off assets by equal instalments during their expected normal lives. The maximum life assumed for buildings

is eighty years, and the lives assumed for fixtures and plant vary between three and twenty years.

Stock

Stock is valued at the lower of cost and net realisable value. Cost comprises purchase cost of goods.

direct labour and those overheads related to manufacture and distribution based on normal activity levels.

Research and development

Expenditure, other than on buildings and plant, is charged against profits in

the year in which it is incurred.

Pension funding

The company and its UK subsidiaries operate a pension scheme under which contributions by employees and by the companies are held in a trustee administered fund separated from the companies' finances. Actuarial

valuations of the fund are conducted at three-year intervals including a review of contributions.

Certain overseas companies operate their own pension schemes.

Deferred taxation

No provision is made in respect of timing differences arising from accelerated capital allowances, stock appreciation relief, and other timing differences to the extent that such liabilities are not expected to become payable for a considerable period. Future tax recoveries relating to advance corporation tax and short term timing differences are anticipated to

the extent that such recoveries are regarded as certain.

No provision is made for taxation liabilities which would arise on the distribution of profits retained by overseas subsidiary and associated companies as it is not intended to make such distributions.

Notes relating to the Accounts

	1980 £m	1979 £m
2. Trading profit is after charging:		
Depreciation	17.3	13.3
Profit earning bonus for staff	10.5	9.6
Computer and plant hire	2.3	2.2
Remuneration of auditors	2	2
and after crediting:		
Surplus on disposal of fixed assets	5.0	3.1
3. Investment Income		
Listed	8	3
Short term deposits	8.3	8.8
	9.1	9.1
4. Interest yield		
On borrowed money:		
Repayable within five years	1.7	2.1
Not repayable within five years	8	1.2
Bank and other short term interest	8	4
	13	3.6
5. Taxation		
The charge on the profit of the year consists of:		
UK corporation tax at 22%	37.3	26.9
Relief for overseas taxation	(2.2)	(3.2)
Deferred taxation	2.2	5.6
Total UK taxation	37.3	29.3
Overseas taxation	3.9	0.3
Over-provision—prior years	(11.6)	—
	2.3	6.3
Share of taxation of associate companies	3	—
	39.9	35.6
The taxation charge has been reduced by:		
Accelerated capital allowances	10.3	15.4
Stock appreciation relief	12.4	11.3
Other timing differences	1.1	.7
	23.8	27.4
6. Extraordinary items		
Profit on repayment of foreign currency borrowings	2.8	—
Loss on disposal of part interest in Nippon subsidiary	—	(3)
	2.8	(3)
7. Dividends		
Interim paid of 2.875p per share	10.4	8.9
Final proposed of 4.125p per share	14.9	12.5
7.0 p per share	—	—
Adjustment to 1979 final dividend	1	—
	25.4	21.4
The adjustment to the 1979 final dividend represents dividends paid on shares issued on conversion of US dollar bonds after 31st March 1979.		
8. Profit retained by parent company		
Attributable to shareholders after extraordinary items	83.6	76.6
Profit retained by subsidiaries	(17.9)	(12.7)
Profit retained by associates	(8)	—
Profit of parent company	85.1	63.9
Dividends	(25.4)	(21.4)
Retained by parent company	39.7	42.5
9. Earnings per share		
The calculation of earnings per share is based on earnings of £51.0m before extraordinary items (1979 £76.9m) and 359.5m average ordinary shares in issue, weighted on a time basis.		
The effect on earnings per share of full conversion of outstanding convertible US dollar bonds (and the exercise of outstanding options by employees) into ordinary shares of the company would not be material.		

	1980 £m	1979 £m
10. Share capital:		
Ordinary shares of 25p each:		
Aut. orised	100.0	100.0
Issued and fully paid	90.3	89.2

Under the terms of the savings-related share option scheme, approved by shareholders in July 1977, options may be granted enabling employees with over five years' service to subscribe for an aggregate of 10m ordinary shares of the company at approximately 90% of market price. So far, options exercisable from 1983 to 1987 at between 17 1p and 200p per share have been granted in respect of 678,042 shares.

The convertible US dollar bonds may be converted into ordinary shares of the company at a fixed price of 2 15p unit 1983. During the year ended 31st March 1980 4,350,023 shares have been issued in respect of US \$17.8m bonds converted. A full exercise of remaining conversion rights would require the issue of approximately 2.2m shares.

	Group 1980 £m	Parent 1980 £m
11. Reserves		
At 31st March 1979		
Profit retained ^a	320.8	199.4
Goodwill arising on acquisitions	59.2	39.7
Currency adjustments	(5)	—
Share premiums on bond conversion	(1.6)	(1.8)
	7.1	7.1
At 31st March 1980	384.0	244.4

Reserves at 31st March 1980 include share premium of £8.0m (1979 £0.9m)

	Group		Parent	
	1980 £m	1979 £m	1980 £m	1979 £m
12. Borrowed money				
Secured loans:				
3½% stock 1982	—	—	—	—
8½% stock 1978/82	1.0	1.0	—	—
	2	2	—	—
Unsecured loans:				
6% stock 1978/83	2.1	2.1	2.1	2.1
6½% stock 1983/88	8	8	—	—
7½% stock 1988/93	5.7	5.7	5.7	5.7
8% stock 1986/91	1.4	1.4	—	—
6½% convertible US dollar bonds 1993	4.1	12.9	4.1	12.9
Foreign currency	2	30.7	—	17.9
	15.5	54.8	11.9	38.6

(a) Repayments of borrowed money are expected within the following periods.

	1980	1979	1980	1979
One year	1	5.5	—	14.4
One-two years	—	—	—	—
Two-five years	3.3	18.5	2.1	5.6
Over five years	12.0	20.8	9.8	18.6
	15.5	54.8	11.9	38.6

(b) All loans are repayable at par, except the 8% stock, which is repayable at £105 per cent.

(c) The 6½% and 8% stocks are redeemable by yearly sinking funds.

	1980	1979	1980	1979
13. Provision for pensions				
At 31st March 1979	6.0	7.7	5.5	7.2
Payment to Boots Pension Fund	(2.4)	(1.7)	(2.4)	(1.7)
Other adjustments	(1)	—	—	—
At 31st March 1980	3.5	6.0	3.1	5.5

The payment to Boots Pension Fund represents the annual cost of pension increases granted since 1974. The results of an actuarial valuation of the Fund, which is being prepared as at 31st March 1980, are not yet available. It is anticipated that a deficit will be revealed and that contributions to the Fund will need to be increased.

Notes relating to the Accounts

	Group £m			Parent £m		
	Property	Fixtures and plant	Total	Property	Fixtures and plant	Total
14. Fixed assets						
Cost or valuation						
At 31st March 1979	173.2	175.3	348.5	30.8	73.0	103.8
Capital expenditure	25.8	36.0	61.8	4.2	12.3	16.5
Disposals	(2.7)	(6.0)	(8.7)	(0.9)	(1.7)	(2.6)
Currency adjustments	(5)	(8)	(1.3)	—	—	—
At 31st March 1980	195.8	204.5	400.3	34.1	83.6	117.7
Cost						
153.4	204.5	357.9	24.0	83.6	107.6	
Independent valuation 1968	9.0	—	9.0	9.0	—	9.0
1969	1.0	—	1.0	—	—	—
1965	31.3	—	31.3	—	—	—
Directors' valuation 1971	1.1	—	1.1	1.1	—	1.1
	195.8	204.5	400.3	34.1	83.6	117.7
Depreciation						
At 31st March 1979	24.6	57.7	82.3	8.2	21.9	30.1
Depreciation for year	3.6	13.7	17.3	.8	6.0	6.8
Disposals	(.9)	(4.2)	(5.1)	(.5)	(1.4)	(1.9)
Currency adjustments	(.1)	(.4)	(.5)	—	—	—
At 31st March 1980	27.2	66.8	94.0	8.5	26.5	35.0
Net book value at 31st March 1980	168.6	137.7	306.3	25.6	57.1	82.7

	Cost or valuation £m	Depreciation £m	Net book value £m
The tenure of properties is as follows:			
Group			
Freehold land	30.0	—	30.0
Freehold buildings	107.6	17.4	90.2
Long lease	25.5	2.8	22.7
Short lease	32.7	7.0	25.7
Total	195.8	27.2	168.6
Parent			
Freehold land	2.1	—	2.1
Freehold buildings	26.6	8.1	20.5
Long lease	2.5	.3	2.2
Short lease	.9	.1	.8
Total	34.1	8.5	25.6

	1980 £m	1979 £m
15. Subsidiaries		
(a) Investments:		
At book value of net assets at acquisition	15.3	15.3
At cost less provision	30.9	28.7
	46.2	44.0
(b) Advances:		
Due from subsidiaries	182.6	122.1
Due to subsidiaries	(19.2)	(17.6)
	163.4	104.5
	209.6	148.5

(c) Investments in overseas subsidiaries are stated at local currency cost translated into sterling at the exchange rates ruling on 31st March 1980.

(d) The list of principal companies shown on page 30 forms part of this note.

	Group		Parent	
	1980 £m	1979 £m	1980 £m	1979 £m
16. Investments				
(a) Partnership:				
At cost	6.1	6.5	—	—
Group share of reserves	1.0	—	—	—
(b) Associated companies:				
Shares at cost	8.3	9.0	8.3	9.0
Group share of reserves	1.9	1.3	—	—
(c) Listed:				
Holding in Kateriyoku Kato in Japan at cost	8	1.0	8	1.0
Market value on Tokyo Stock Exchange— £2.7m (1979 £5.3m).				
	18.1	17.8	9.1	10.0

(d) Overseas investments are stated at local currency cost translated into sterling at the exchange rates ruling on 31st March 1980.

(e) The list of principal companies shown on page 30 forms part of this note.

	1980	1979	1980	1979
17. Deferred taxation recoverable:				
Advance corporation tax	6.4	6.2	6.4	6.2
Tax on short term timing differences	1.0	3.3	1.2	3.0
Stock appreciation relief	(4.8)	(5.0)	(4.8)	(4.8)
	2.6	4.5	2.8	4.4

Details of deferred taxation not provided are shown in note 21.

	1980	1979	1980	1979
18. Net current assets				
Stocks	268.5	227.5	130.7	116.4
Debtors	78.8	66.8	54.0	45.9
	80.9	99.9	49.1	86.1
Cash and short term investments	408.2	393.1	232.8	247.4
Creditors	148.6	138.2	111.1	101.1
Bank overdrafts	38.1	26.0	33.0	22.5
Taxation	40.0	31.6	28.3	15.2
Dividends	14.9	12.5	16.9	12.5
	239.6	208.3	187.3	151.3
	168.6	184.8	45.5	96.1

	1980	1979	1980	1979
Stocks comprise:				
Manufacturing: Raw materials	19.2	17.5	14.6	13.5
Work in progress and finished goods	38.9	32.8	26.0	21.7
Retailing	58.1	50.3	40.6	35.2
	210.4	177.2	90.1	81.2
	268.5	227.5	130.7	116.4
Cash and short term Investments comprise:				
Listed investments at cost	20.0	9.9	20.0	9.9
Market value £20.1m (1979 £10.1m)	34.3	84.2	27.8	74.8
Short term deposits	6.6	4.7	3	4
Cash	60.9	95.8	48.1	85.1

Bank overdrafts:
Overdrafts of certain overseas subsidiaries amounting to £0.8m at 31st December 1979 (1978 £0.8m) were secured on the assets of those subsidiaries.

Notes relating to the Accounts

	Group		Parent	
	1980 £m	1979 £m	1980 £m	1979 £m
19. Commitments				
Future capital expenditure approved by the directors and not provided for in these accounts is as follows:				
Contracts placed	41.3	42.3	12.0	9.7
Contracts not placed	27.5	8.5	23.2	.3
	68.8	50.8	35.2	10.0

20. Contingent liabilities

(a) Certain overseas subsidiaries had discounted bills of exchange at 31st December 1979 amounting to £0.3m (1978 £0.3m).

(b) The parent company has guaranteed the bank overdrafts of certain subsidiaries to a total of £1.3m at 31st March 1980 (1979 £0.7m) and has a liability of £0.5m (1979 £0.5m) for uncalled capital in subsidiaries.

21. Deferred taxation

The potential amounts of deferred taxation not provided in these accounts are as follows:

Accelerated capital allowances	69.0	58.7	34.3	30.2
Stock appreciation relief	50.5	48.3	30.8	32.8
Capital gains taxation rolled over	4.3	3.4	.3	.1
Other items	(1.5)	(1.7)	(1.5)	(1.7)
	122.3	108.7	63.9	61.4

22. Remuneration of directors and senior UK employees

(a) The total remuneration of the directors of the parent company consists of fees £28,000 (1979 £27,000) and other remuneration £578,000 (1979 £438,000).

(b) The remuneration of the chairman was £41,000 (1979 £31,000) and of the highest paid director was £56,000 (1979 £45,000) excluding pension contributions.

(c) An analysis of remuneration (excluding pension contributions) of directors and UK employees earning over £20,000 in the year is shown below. The table also shows estimated take-home pay calculated at the higher end of each salary band assuming the recipient was married with no other income or allowances.

		Take-home pay		Numbers	
		£	£	1980	1979
Directors:	£55,001 — 60,000	30,300	29,700	1	—
	£45,001 — 50,000	24,300	25,700	2	—
	£40,001 — 45,000	21,300	23,700	1	2
	£35,001 — 40,000	18,300	21,700	3	1
	£30,001 — 35,000	15,300	19,700	—	2
	£25,001 — 30,000	12,300	17,700	—	3
	£15,001 — 20,000	6,700	15,900	1	—
	£10,001 — 15,000	4,300	10,700	4	1
	£5,001 — 10,000	—	—	3	—
	£1 — 5,000	—	—	2	4
Employees:	£25,001 — 30,000	12,300	17,700	2	—
	£20,001 — 25,000	9,400	15,600	35	14

Auditors' Report

to the members of
The Boots Company Ltd.

We have examined the accounts set out on pages 18 to 26 which have been prepared on the basis of the accounting policies set out on page 21.

In our opinion they give a true and fair view of the state of affairs of the company and of the group at 31st March 1980 and of the profit and sources and applications of funds of the group for the year to that date and comply with the Companies Acts 1948 and 1967.

We have examined the current cost statements together with the notes thereon set out on pages 28 and 29. In our opinion the statements have been properly prepared in accordance with the methods described in the notes, to give the information required by Statement of Standard Accounting Practice No. 16.

PEAT, MARWICK, MITCHELL & CO.
Chartered accountants, Birmingham

22nd May 1980

Group Financial Record

	1980		1979		1978		1977		1976	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Sales										
Industrial Division:										
UK and exports	198.6		178.0		155.4		128.9		108.8	
Overseas	65.7		60.2		52.6		42.3		31.8	
		264.3		238.2		208.0		171.2		140.6
Retail Division:										
UK	980.5		858.5		743.0		628.4		528.2	
Overseas	63.0		48.5		14.2		1.7		1.2	
Intra-group		1043.5		907.0		757.2		630.1		529.4
		(105.7)		(92.2)		(81.4)		(66.3)		(58.8)
Total		1202.1		1053.0		883.8		735.0		611.2
Profits										
Industrial Division:										
UK and exports	34.0		30.2		31.2		29.7		25.2	
Overseas	8.9		11.0		9.1		9.5		6.0	
		42.9		41.2		40.3		39.2		31.2
Retail Division:										
UK	73.4		69.1		60.3		54.9		45.7	
Overseas	(3.2)		(1.8)		(1.1)				1.1	
Interest and other net income		70.2		67.3		60.2		54.9		45.8
		8.2		4.5		6.5		(3.0)		(4.8)
Profit before taxation	121.3		113.0		107.0		91.1		72.2	
Taxation	(39.9)		(35.0)		(33.3)		(28.7)		(25.5)	
Profit after taxation	81.4		77.4		73.7		62.4		46.7	
Minority interests/ extraordinary items	2.2		(1.8)		(.7)		(.8)		(.6)	
Dividends		(25.4)		(21.4)		(10.6)		(9.7)		(8.7)
Funds retained										
Profit retained	58.2		55.2		62.4		51.9		37.4	
Depreciation	17.3		13.3		12.7		10.5		8.7	
		75.5		68.5		75.1		62.4		46.1
Capital expenditure										
Industrial Division	15.5		20.0		14.9		9.2		7.6	
Retail Division	46.3		36.2		25.2		27.8		24.8	
		61.8		56.2		40.1		37.0		32.4
Sources of capital										
Share capital and reserves	474.3		410.0		349.0		300.1		248.2	
Borrowed money	15.5		54.8		34.8		11.6		11.7	
Other sources	5.8		8.5		11.2		10.7		10.0	
		495.6		473.3		395.0		322.4		269.9
Employment of capital										
Fixed assets	306.3		266.2		224.0		194.4		189.8	
Investments	18.1		17.8		1.0		1.0		.8	
Deferred taxation	2.6		4.5		7.2		10.8		8.3	
Net current assets	168.6		184.8		162.8		116.2		91.0	
		495.6		473.3		395.0		322.4		269.9
Other statistics										
Earnings per share	22.5p		21.6p		20.5p		17.3p		12.9p	
Dividend per share	7.0p		6.0p		3.0p		2.7p		2.4p	
Profit after taxation as % of capital employed (note 1)	16.4		16.4		18.7		19.4		17.3	

Notes

- The book value of the group's property which amounts to 34% of the capital employed is, in the opinion of the directors, substantially below its current value.
- This table has been revised to reflect the change in deferred taxation policy in 1975. No retrospective amendments have been made in respect of changes in policy regarding depreciation (1979) and stocks (1977).

Current Cost Statements

31st March 1980

	Notes	1980		1979	
		£m	£m	£m	£m
Group profit and loss account					
Sales		1202.1		1053.0	
Trading profit on historical cost basis		116.9		109.8	
Current cost adjustments:					
Depreciation and surplus on disposal of fixed assets		(25.5)		(15.4)	
Cost of sales		(19.6)		(10.5)	
Monetary working capital		11.1		7.4	
		(34.0)		(18.5)	
Trading profit		82.9		91.3	
Gearing adjustment		-2		-	
Investment income		9.1		9.1	
Interest paid		(3.3)		(3.6)	
Profit before taxation		88.9		96.8	
Taxation		(39.9)		(35.6)	
Profit after taxation		49.0		61.2	
Attributable to minority interests		(2)		(4)	
Extraordinary item		2.6		(3)	
		2.4		(7)	
Profit attributable to shareholders		51.4		60.5	
Dividends		(25.4)		(21.4)	
Retained profit, dealt with in general reserve		26.0		39.1	
Earnings per share		13.6p		17.1p	

Group balance sheet			
Shareholders' interests:			
Share capital		90.3	89.2
Current cost reserve	2	467.9	297.5
General reserve		335.6	304.6
		893.8	691.3
Borrowed money		15.5	54.8
Minority interests		2.6	2.7
Provision for pensions		3.5	6.0
		915.6	754.8
Fixed assets			
Investments	3	719.0	540.8
Deferred taxation recoverable		20.0	22.1
Stock		2.6	4.5
Monetary working capital		273.9	230.1
Other net current assets		(97.4)	(87.6)
		(2.6)	44.9
		915.6	754.8

Notes relating to the Current Cost Statements

1. Accounting policies

Depreciation

The depreciation adjustment represents the additional charge against profits as a result of depreciating and recalculating surplus on disposal of fixed assets on estimated current cost rather than on historical cost. It has been calculated by applying the

appropriate retail and industrial indices prepared by the Central Statistical Office, to the depreciation charge on fittings and plant. Depreciation on buildings has been recalculated using construction cost indices. Asset lives have not been reassessed.

Cost of sales

The cost of sales adjustment represents the difference between the historical manufacturing or purchase cost and

the estimated current cost of goods at the date of sale as derived from the group's costing systems.

Monetary working capital

The monetary working capital adjustment allows for the effect of price changes on the monetary working capital needed to support operating capability.

Monetary working capital is negative and comprises creditors less the aggregate of debtors and cash floats.

Gearing adjustment

This reduces the depreciation, cost of sales and monetary working capital adjustments by the proportion of

finance provided other than as shareholders' funds calculated on a current cost basis.

Valuation of assets

Land has been revalued using an index constructed by professional valuers within the company. Other fixed assets and stock have been

revalued using the same methods as for depreciation and cost of sales adjustments. Investments have been revalued by the directors.

Overseas companies

Overseas subsidiaries have generally calculated their adjustments using local indices or information available from their own costing systems. Profits and

losses resulting from translation of net assets of overseas subsidiaries are not included in current cost profits.

Other policies

The other accounting policies used in the current cost statements are

unchanged from those stated on page 21.

2. Current cost reserve

At 31st March 1979

Revaluation surpluses:

Property
Fixtures and plant
Investments
Stocks

Monetary working capital

Gearing adjustment

Currency adjustments

At 31st March 1980

	£m	£m
		297.5
Property	131.6	
Fixtures and plant	31.7	
Investments	(2.4)	
Stocks	22.2	
		183.1
Monetary working capital		(11.1)
Gearing adjustment		(2)
Currency adjustments		(1.4)
		467.9

3. Fixed assets

At 31st March 1980:

Current cost

Depreciation

Net current value

At 31st March 1979

	Property £m	Fixtures and plant £m	Total £m
Current cost	638.9	398.4	1037.3
Depreciation	127.9	190.4	318.3
Net current value	511.0	208.0	719.0
At 31st March 1979	373.2	167.6	540.8

4. Comparative figures

Comparative figures have not been adjusted to a common price basis.

Principal Companies

	Percentage held by parent	Percentage held by Subsidiaries	Principal activities
Parent The Boots Company Ltd			Manufacturers and wholesale distributors of pharmaceuticals, drugs, fine chemicals and toilet preparations
Subsidiaries (Incorporated in Great Britain)			
Boots The Chemists Ltd.	100		Retail chemists
Boots Pure Drug Co. Ltd	100		Management company
Boots International Ltd.	100		Management company
Boots Farm Sales Ltd.	100		Agricultural and veterinary suppliers
Timothy Whites Ltd.	100		Retail houseware
Whites Property Co. Ltd	100	100	Property holding
Crooker Aneston Ltd.	100		Wholesale chemists
Subsidiaries (Incorporated overseas)			
Australia			
The Boots Company (Australia) Pty. Ltd.	100		Manufacturing and wholesale chemists
Belgium			
The Boots Company (Belgium) S.A.	100		Wholesale chemists
Canada			
Boots Drug Stores (Canada) Ltd.	100		Retail chemists
Boots Drug Stores (Western) Ltd.	100		Wholesale and retail chemists
France			
Laboratoires Boots-Dacour S.A.	92.8		Manufacturing and wholesale chemists
Beauté Hygiène et Soins, S.A.	70		Retailing of cosmetics and toiletries
Holland			
The Boots Company (Holland) B.V.	100		Wholesale chemists
India			
The Boots Company (India) Ltd.	53		Manufacturing and wholesale chemists
Ireland			
The Boots Company (Ireland) Ltd.	100		Wholesale chemists
Italy			
Boots-Formenti S.p.A.	55		Wholesale chemists
Kenya			
The Boots Company (Kenya) Ltd.	100		Manufacturing and wholesale chemists
New Zealand			
Boots The Chemists (New Zealand) Ltd.	100		Wholesale and retail chemists
Pakistan			
The Boots Company (Pakistan) Ltd.	56.5		Manufacturing and wholesale chemists
Philippines			
The Boots Company (Philippines) Inc.	100		Wholesale chemists
Singapore			
The Boots Company (Far East) Pte. Ltd.	100		Wholesale chemists
South Africa			
The Boots Company (South Africa) (Pty.) Ltd.	100		Manufacturing and wholesale chemists
Tanzania			
K.O.C. (Tanzania) Ltd.	100		Manufacturing and wholesale chemists
Thailand			
The Boots Company (Thailand) Ltd.	100		Wholesale chemists
The Boots Manufacturing Co. (Thailand) Ltd.	100		Manufacturing and wholesale chemists
U.S.A.			
Boots Pharmaceuticals Inc.	100		Manufacturing and wholesale chemists
Boots Hercules Agrochemicals Co. (partnership)	60		Wholesaling of agrochemicals
West Germany			
Technochemie GmbH Verfahrenstechnik	70		Manufacturing and wholesale chemists
Associated companies (Incorporated overseas)			
Nigeria			
The Boots Company (Nigeria) Ltd.	40		Wholesale chemists
Spain			
Laboratorios Liadr S.A.	50		Manufacturing and wholesale chemists

All the above shares held are ordinary shares. In addition the group owns 30.4% of the preferred shares in Boots Drug Stores (Canada) Ltd. and 100% of the preferred shares in Boots Drug Stores (Western) Ltd.

All the companies operate principally in the country of incorporation.

Directors and Officers of Principal Subsidiaries

Boots The Chemists Ltd.

Chairman

A. D. Spencer

Directors

K. Ackroyd, M.P.S.
D. E. M. Appleby
A. A. Binney
D. J. Budge, M.P.S.
S. R. Burdon, M.P.S.
D. Cargill
R. Clair, M.P.S.
H. A. N. Clark
R. G. Clow, M.P.S.
K. J. Cole, M.P.S.
J. Craig, M.P.S.
J. G. Davies, M.P.S.
T. K. W. Davies

L. W. Day, M.P.S.
D. N. Edmondson
J. J. E. Fergusson, M.P.S.
M. Gibson
A. B. Groves
H. J. Hann
D. Happs, M.P.S.
J. M. Hobson, M.P.S.
G. M. Hourston, M.P.S.
B. Jelleries
K. Jarvis, M.P.S.
J. P. Lewis, M.P.S.

A. B. McInnes, M.P.S.
M. Owens, M.P.S.
A. P. Ridley-Thompson
A. R. Ripley
J. M. T. Ross, F.P.S.
B. Silverman, F.P.S.
I. M. Smolle
G. R. Solway
B. H. C. Theobald
D. A. R. Thompson
B. Uttley, M.P.S.
F. W. Wright, F.P.S.

Secretary

K. R. Whitesides

Timothy Whites Ltd.

Chairman

A. D. Spencer

Directors

K. Ackroyd, M.P.S.
D. E. M. Appleby
E. A. Cleaver

T. K. W. Davies
H. J. Hann
B. Jelleries

J. A. Prescott, M.P.S.
B. H. C. Theobald
F. W. Wright, F.P.S.

Secretary

K. R. Whitesides

Boots Pure Drug Co. Ltd.

Chairman

P. T. Main, M.D.

Directors

D. E. M. Appleby
A. S. Beidas
G. Buxton
J. B. Carnall
E. E. Cliffe

R. E. Collard, F.P.S.
A. E. Davis, F.P.S.
R. N. Gunn
A. H. Hawksworth
S. A. Hibbert, M.P.S.

B. Jelleries
S. A. B. Kipping
Miss J. M. Savage
C. E. G. Scarth
J. H. Wilson

Secretary

I. A. Hawtin

Boots International Ltd.

Chairman

P. T. Main, M.D.

Directors

S. S. Adams
D. E. M. Appleby
J. W. Buckler, M.B.
E. E. Cliffe
R. N. Gunn

B. Jelleries
R. A. Johnson
I. F. Kent
B. Lessele
J. W. Lewin

H. R. Malhotra
J. A. Reid, M.P.S.
T. G. Richardson
K. T. Robinson
G. A. Turnbull, M.P.S.

Secretary

I. A. Hawtin

Boots Farm Sales Ltd.

Chairman

P. T. Main, M.D.

Directors

R. N. Gunn
D. J. Higgons

I. F. Kent
D. R. Knight

N. J. Reeves

Secretary

I. A. Hawtin

Directors' Shareholdings

This table sets out the interests of the directors and their families in the share and loan capital of the company (holdings at 1st April 1979 or at the date of appointment, are shown in brackets where they differ).

	Number of shares beneficially held	Loan stock beneficially held
Sir Gordon Hobday	24,000	£101
M. J. Verey	7,300	—
A. D. Spencer	3,500 (2,500)	—
K. Ackroyd, M.P.S.	1,200 (200)	—
D. E. M. Appleby	2,100	—
E. E. Cliffe	1,540 (1,040)	—
R. N. Gunn	2,174	£23
H. J. Hann	5,000	—
B. Jafferies	5,666	£177
P. T. Main, M.D.	2,500 (2,000)	—
Lord Redmayne, P.C., D.S.O.	4,000	—
D. A. G. Sarre	500 (—)	—
Sir Leonard Scott, C.B.E.	4,000	—
G. R. Solway	750 (—)	—
B. H. C. Theobald	1,000 (899)	—

Directors' holdings at 19th May 1980 are unchanged.

Shareholders

At 31st March 1980 the register of shareholders contained 101,860 accounts, of which over 63,700 had 1,000 or fewer shares.

About 300 accounts each held more than 100,000 shares. Almost all of these are insurance companies, pension funds and other institutional investors representing the interests of many thousands of people.

The directors are not aware that any person held a beneficial interest in 5% or more of the share capital of the company at 19th May 1980. The largest shareholding (by an insurance company) was under 3%.

Financial Calendar

Dividend and interest payments

Ordinary dividends

Final 1979/80:
Announced 22nd May 1980.
Payable 17th July 1980.

Interim 1980/81:

Announced 13th November 1980.
Payable 9th January 1981.

Final 1980/81:

Proposed mid-May 1981.
Payable mid-July 1981.

6% loan stock interest:

Paid 30th June, 30th September,
31st December and 31st March.

6½% loan stock interest:

Paid 1st September and 1st March.

7½% loan stock interest:

Paid 30th September and 31st March.

8% loan stock interest:

Paid 31st July and 31st January.

6½% bond interest:

Paid 1st August.

Results

For half-year:
Announced 13th November 1980.

For the year:
Announced mid-May 1981.

Report end accounts:

Circulated mid-June 1981.

For capital gains tax purposes the
market value of 6 Boots share on
6th April 1985 was 40p and £100
6% loan stock was £30.37½.

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JUN 1980

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